Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT
A Letter from Paris

GOLD RUSH & DOLLAR DOLDRUMS - I

"Le style, c'est l'homme" as the French say, and in the case of General de Gaulle, his style of behaviour in political matters is certainly a clear projection of the man. This is true of course in monetary matters also. His decision, at the end of 1964, to accelerate the conversion of dollars held by France into gold was entirely in keeping with his style and could have been predicted, even though it took the leaders of U.S. monetary policies somewhat by surprise. Even as recently as August 11th last, the Secretary of the Treasury, Henry Fowler, while summing up before the press French withdrawals of gold in recent years, could not hide an obvious air of melancholy and disappointment. (These withdrawals amounted to $300 millions in 1964, $ 880 million in 1965 and $ 300 million for the first six months of 1966; agency stories from Washington attributed a higher total to Secretary Fowler but there was undoubtedly some confusion here with balance of payments deficit figures mentioned by the Secretary). In fact, if the spectacular manner in which the French conversions had been announced was specifically "Gaullian", France was not the only country to reduce its dollar holdings substantially during that period. At the end of 1963 France held approximately 29% of its reserves in dollars, and this was close to the average for the two previous years; at the end of 1965 this proportion was down to 14% and is at present at the same level. If we take the case of the Bonn Republic, its dollar holdings constituted approximately 46% of its reserves at the end of 1963; this percentage was down at the end of May 1966 to 28% (expressed in dollars, the difference is greater in the case of France, as the Banque de France's total reserves went up from the end of 1963 to the end of May 1966 from $4,457 millions to $5,724 million, whereas those of the Bundes bank went down in the same period from $7,098 million to $5,975 million; this also explains why the French decrease is due to a large extent to conversions of dollars into gold in the Federal Reserve, whereas the decrease in the percentage of dollars held by Germany has technically been caused mainly through settlements in dollars of German balance of payments deficits).

If responsible leaders of the Treasury did not foresee until about two years ago the change in attitude of the French government - a change that, of course, stimulated conversion moves by other countries also - it was mainly because they had for many years held an almost religious belief in the unlimited maintenance of some sort of monetary equilibrium within the Western world - undoubtedly a labile equilibrium, but for all practical purposes quite satisfactory. (Their error was comparable to that of political leaders, who only recently began to appreciate that de Gaulle might upset the defence status-quo within NATO). When the heads of the Treasury were asked during the years 1960 - 1963 what they would do if certain European countries - and first of all France - decided one day to convert many more of their dollars into gold than before, they dismissed the idea outright, saying: "There is a tacit agreement among central bankers not to do anything rash that might be detrimental to the equilibrium of the whole Gold-Exchange Standard system. And also, this is a give-and-take proposition: we render so many services to the European nations that it is unimaginable that they would do anything that might embarrass us". However, this reasoning left out of its premises the possibility of adverse decisions taken mainly on the political level, decisions that would then be much more potent than the traditions of whole-hearted co-operation between central bankers and even between finance ministry delegates.

It was a reasoning inspired by a basically quite generous paternalistic attitude, which saw the United States permanently in the position of a benevolent father responsible for his children, all members of a Free-World community of sorts, and it dismissed the very idea that these children might some day behave in a manner different to what was expected of them. "Convert large portions of dollar-reserves into gold? Impossible. They can't do that Daddy.. " was, in a way, for many years, the self-reassuring philosophy of American monetary leaders. We are better prepared to understand how such a paternalistic attitude could arise, if we remember that American statistics reveal that from mid-1945 to mid-1966 over $43,500 million were spent on "economic and military aid" in Europe (excluding the Iron Curtain countries and Yugoslavia). The term "aid" here is, perhaps, somewhat misleading from the European point of view, as in recent years most of the expenditure has been on military aid - the cost of bases, equipment, arms and upkeep for U.S. forces in Europe, as well as off-shore purchases.

The self-reassuring climate in monetary matters in which Washington bathed for so long, explains why it has consistently dismissed the possibility of granting a gold value guarantee on the dollar holdings in central banks of other nations: it regarded such a guarantee as superfluous, imagining that the desirable monetary equilibrium could be maintained without it. In doing so, it neglected several factors: (1) Continental bankers who were originally quite well disposed towards maintaining the dollar element in their reserves, found themselves disarmed when faced with the objection: Why should we, Europeans, have more faith in the dollar than the Americans themselves, as shown by the fact that they are unwilling to provide us with a guarantee of the gold value of their currency? (2) Had Washington granted such a guarantee (while possibly suggesting - let us say, for "aesthetic" reasons - the general adoption of the measure by all nations in favour of their own currency held in other central banks, however limited the use of such currencies might be, apart from Sterling) and even if, for political reasons, Paris had still carried out its intention to increase the rate of its dollar-conversions the second measure would undoubtedly have been strongly counteracted by increasing dollar holdings in other nations. Once the gold value of dollar holdings in the reserves was firmly guaranteed, it would have greatly persuaded all nations to hold on to their dollars, as such funds could be invested overnight against substantial yields in the United States, whereas the keeping of gold is sterile and even entails expense.

Lacking the necessary decisiveness to face relatively simple solutions, the responsible leaders of the U.S. Treasury - who are no longer the men who were originally responsible for these policies - have lately been seeking a way out of the impasse by adopting an idea put forward originally in various forms within the former Ossola study committee of the Group of Ten: the creation of new forms of liquidity, so-called "reserve units", that would be distributed among the nations according to certain formulas not yet definitely chosen (see No 351). The semantic confusion that has emerged for a certain number of years now in monetary matters in general, continues as regards the "reserve-unit" problem also. Certain delegates in the Group of Ten - among whom the French are the most outspoken - consider that so long as the United States and Great Britain have not readjusted their balance of payments situation, and so long as there is no obvious lack of world liquidity, there is no need to proceed with the creation of any new international reserve units. This, technically speaking, is perfectly true. The American reasoning, however, is inspired by quite different - though rather veiled - considerations: having realized how difficult it would be, in the present conditions, to obtain increased holdings of dollars in the various national reserves - and thus to secure for the U.S.A. the additional means of liquidity this country undoubtedly needs to carry out its world-wide programme of aid, defence and economic expansion, without further depleting its gold reserves - they seek to attain the same goal by other means. This would, in fact, be the creation of reserve units universally accepted and with which the U.S.A. - whatever formula of distribution of such units might be - would be amply provided.

Of course the universal acceptance of such units could be secured only on the basis of a firm guarantee provided by each nation - in terms of gold - of the portion of such units that would be composed of their own currency; consequently the United States would have to guarantee the gold value of the dollars included in such units. This means that the U.S.A. would be willing to face the music and foot the bill to the extent that the dollar would serve much more than it does at present - via the new "units" - as an international reserve medium, while avoiding the need to provide the same guarantee for the dollar funds already held in the reserves.

It is difficult to imagine an easy way out of the opposition - rather than a direct confrontation - of two such conflicting attitudes, based on entirely different premises: (a) there is no lack of world liquidity; (b) there is a lack of U.S. means of liquidity allowing them to meet certain world-wide commitments. The semantic confusion that clouds this dilemma does not bring us any nearer to an already overdue fundamental study of the monetary system; (the various study groups seeking new forms of liquidity "in case they are needed" did not work at all along these lines). And the stale-mate between such conflicting points of view does not facilitate the elimination of the real sore spot of the system which we shall consider next time: the problem of the pound.

The report of the group of ten deputies, released last week, illustrates what we have been saying quite well. The apparently complex and often contradictory proposals presented in this document as possible remedies for the hypothetical shortage of world liquidity (the report underlines the deputies' unanimous opinion that such a shortage does not exist as yet) can be summed up briefly as: the introduction into world monetary circuits of a gold-guarantee clause favouring the possible future creation of new means of liquidity (first of all "reserve units" composed of the currencies of various nations, and possibly additional drawing rights upon the IMF) without providing such a guarantee for the reserve currency holdings already contained in national reserves.

The French refusal to participate in the technical studies undertaken by the deputies can be explained by France's obvious desire to give priority to the elimination of the British deficit, but principally to American balances of payments ("this member" states the report, referring clearly to France, "considers that the present difficulties affecting the international monetary system are due not to a probable shortage of reserves in the near future, but to a persistent deficit in the balances of payments of the reserve currency countries"). Committed as she is to the policy of limiting the means of U.S. economic and financial intervention around the world (the suppression of the American deficit should automatically produce this result) France, understandably, does not want to prepare the creation of new forms of liquidity with which the United States would be amply provided, whatever formula of distribution was devised for them.

TO BE CONTINUED

IN THE COMMUNITY

From Our Correspondent in Luxembourg

Reshaping the EEC Steel Industry

The comprehensive cartel of four common sales agencies envisaged by the German steel industry; the agreement for aid, improvement and modernisation signed by the French State and the French steel industry; the introduction of means of international co-operation between the industries of member countries, for example, the agreement between the German works at Dortmund and Hoogovens, the Dutch state group; these are some of the efforts being made by the EEC steel industries to solve the structural crisis affecting the present development of the world steel market and industry. The scope of these measures and the attitude of public authorities show that there is no disputing the seriousness of the problem facing the steel industry, which, in a very few years, has completely changed from a seller's market to a buyer's market. The developments forecast for the next few years will tend to aggravate this problem further by causing fresh changes in the structure of the world steel market.

At world level, estimated steel consumption rose from around 275 million tons in 1955 to around 345 million in 1960 and 460 million tons in 1965. Over the same period, productive capacity increased from 285 million tons in 1955 to 400 million tons in 1960 and about 520 million tons in 1965. For the period 1965 - 1970, the High Authority experts expect a growth of around 4% in world steel productive capacity. This represents a rather slower rate than the 7% per annum for 1955 - 1970 and the 5.5% for 1960 - 1965. The increase in productive capacity for the future will vary considerably from country to country. In the EEC, Britain, the United States and Japan productive capacity will increase at a slower rate, but in the smaller exporting countries and the traditional importing countries of the west and in the Soviet Union, a higher rate of growth is expected.

In all, world productive capacity (excluding Communist China) of crude steel should be around 620 million tons by 1970, and it is unlikely that demand can increase at such a rapid rate. So in 1970 there will be a considerable surplus of productive capacity which will tend to depress the market and lead to stiffer competition. And since competition is often distorted by factors affecting production (wages, raw material costs, subsidies, etc.) and distribution (especially in countries with state-run economies and countries where the steel industry is in its infancy) there is little hope of the EEC steel industry returning to the old order: it will have to adapt itself to the new market conditions and the basic changes in the world market by re-examining its own structure.

The trends apparent in the Common Market steel sector over the past few months have been fairly satisfactory from a quantitative point of view, but there is evidence of this long-term trend: the bitter competition in the Common Market, not only from the producers of the various member-countries, but also from other countries exporting steel, means that prices are always very low and unprofitable. Also, with sales showing only slight increases and productive capacity having been considerably expanded in the last few years, the utilisation rate of productive capacity is constantly falling, which means that enterprises are also less profitable. In fact the Community's productive capacity for crude steel has jumped from 102 million tons in 1965 to 108.8 million tons in 1969. On the other hand, total demand for raw steel in the Community (internal needs plus net exports), according to the EEC General Objectives, should be from 93 - 96 million tons in 1970. The gap between productive capacity and potential outlets will therefore widen over the next few years. This also applies to international competition, so it will be absolutely essential to modernise a considerable proportion of production systems now in operation to ensure maximum economy, and thus prevent a further increase in overall capacity. In its General Objectives for the year 1970, the High Authority emphasises this point: "attempts at modernisation should be concentrated mainly on introducing production techniques designed to improve the profitability and efficiency of Community steel production, and on replacing the large proportion of out-of-date and worn-out machinerystill being used by installations of modern design and machinery of optimum dimensions".

On this question of the size of plants, the experts point out that in 1952 the largest plant in the EEC was producing 2.6 million tons of crude steel, a figure consistent with competitiveness; between 1952 and 1970 total EEC production will have increased 2.3 times; and if the same rate of growth is allowed for the largest firm, the figure will be 6 million tons by 1970 counting world steel production. This means that there will then be 13 firms exceeding this capacity of which three will be within the Community. Commercial trends also indicate that the EEC market will be as open in the future as it is today. Given this situation, the pressure of external competition should in theory be sufficient to ensure that there is no risk of consumers suffering because of market domination by Community concerns. The High Authority's policy with regard to mergers, by allowing increasing concentration of interests, has already fallen into line with the new requirements of the steel market, and the industry hopes that the High Authority will not impede the measures decided upon, or still to be recommended, for the steel industry in member countries.

In its conclusions to its General Objectives, the High Authority stresses that "supplying the steel industry within the Community with the cheapest possible raw materials is a basic method of increasing its competitiveness. Faced with the widening difference between the cost of producing Community coal and iron-ore and the price of the same products when imported, it is essential that the Community's steel industry should be able to obtain its raw materials and energy supplies at rates similar to those prevailing elsewhere in the world, although the necessity for the sources of these supplies to be reasonably secure should be borne in mind. It is also vital that there should be a rationalisation of the industry's distribution system as soon as possible: to realise this sales organisations should be reshaped, and steel manufacturers and consumers should co-operate closely, so that there can be a reasonable and acceptable limitation to the number of products manufactured. These moves should lead to a simultaneous reduction in production and distribution costs".

But let us return to the present situation on the steel market. During the first seven months of 1966, new orders of rolled-steel products recorded by the Community's steel plants amounted to 38,011 million tons, an increase of 4.6% over the corresponding period in 1965. This increase in sales is due solely to contracts made within the Community. Sales in non-member countries, which during the first half of last year registered an abnormal increase with the threat of a strike in the American steel industry, fell in the period January - July 1966 by 11.7% compared with the first seven months of 1965. This is clear from the table quoted below, where a breakdown of rolled-steel orders and their origin is given (millions of tons).

	Community	Other Countries	Total
July 1966	4,089	1,137	5,226
June 1966	4,483	1,147	5,630
July 1965	4,029	1,261	5,290
Jan - July 1966	30,707	7,304	38,011
Jan - July 1965	28,054	8,263	36,317
Difference (%)	+ 9.4	- 11.7	+ 4.6

If new orders have increased by nearly 5% in one year, deliveries dropped slightly and production of crude steel has remained practically stationary, as the table below shows:

CRUDE STEEL PRODUCTION (millions of tons)

	Germany	France	Italy	Neth.	Belgium	Luxem.	Comm.
July 1966	3,151	1,495	1,140	225	615	368	6,994
June 1966	3,136	1,753	1,085	270	787	369	7,400
July 1965	3,178	1,466	1,077	238	650	397	7,006
Jan - July 1966	21,457	11,638	7,720	1,868	5,155	2,560	50,398
Jan - July 1965	21,928	11,065	7,157	1,795	5,189	2,707	50,381
Difference (%)	- 2.1	+ 0.3	+ 7.9	+ 4.1	- 0.7	- 5.4	-

This difference between orders and production has led the majority of member countries to make a real effort to adapt production to the requirements of available outlets, and thus avoid an increase in stocks and a return to a disastrous fall of prices, the main feature of the steel crisis during the period 1062 - 1964.

Page		
		Kirchheimbolanden (lorry trailers). Italy: The American-Italian valve concern WESPA, Messina forms sales and warehouse branch in Milan. HOHNER FRANCE, Paris (sales of musical instruments) backs Milan musical equipment firm. The Belgo-Italian concern SARDESPA (carding and combing equipment) opens Milan office. Luxembourg: INVESTCO, Antwerp (KREDIETBANK group) buys share in the Luxembourg holding company PHILLIPS-RYAN INTERNATIONAL. Mexico: STE NOUVELLE DES ROULEMENTS, Annecy (RENAULT group) will build rolling-stock factory in Mexico. Netherlands: The American POLYMER CORP (plastics etc) gains control of the Dutch knitting-machine manufacturer TEXTIEL MACHINES READING, Alemo. The American FLEXIFLOAT INTERNATIONAL and the Dutch firm SWARTTOUW'S (tanks, bridges etc) form 50-50 subsidiary at Schiedam In the Dutch cycle industry VERKOOPMIJ SIMPLEX-LOCOMOTIEF, Amsterdam and JUNCKER RIJWIELFABRIEK, Apeldoorn will merge to form new group. ALCOA, Pittsburgh forms Dutch subsidiary to build aluminium oxides factory in Rotterdam.
K	FINANCE	Brazil: DEUTSCH SUEDAMERIKANISCHE BANK, Hamburg (subsidiary of DRESDNER BANK) forms credit company in San Paolo. Italy: MORGAN GUARANTY TRUST, New York is negotiating for control of the Milan commercial bank BANCA VONWILLER. FINANZIARIA OLTREPO, Milan will take over its subsidiary CIA LOMARDA DI ASSICURAZIONE, Milan.
L	FOOD & DRINK	France: SAPIEM, Paris will take over ETS A. BARTHELEMY, Paris (butter, egg and cheese wholesalers). The French sugar group F. BEGHIN reorganises its sugar-processing subsidiaries. Germany: The Belgian chocolate company COTE D'OR, Brussels forms German branch. Italy: BERNARD MATTHEWS, Norfolk (poultry and animal feedstuffs) sets up Italian branch.
L	GLASS	Italy: CORNING GLASS, New York forms Milan subsidiary.
M	INSURANCE	Belgium: The Italian insurance group appoints Belgian agent.
M	OIL, GAS & PETRO-CHEMICALS	Germany: Eight German oil-prospecting firms will merge their overseas programmes through joint subsidiary. ERDOELWERKE FRISIA, Emden (refining, transport etc) takes over the Hanover storage and distribution concern HELMUT BLUME.
M	PLASTICS	Italy: MARECHAL ITALIA is formed in Savona by ETS MARECHAL, Paris to import and sell plastic and rubber materials. Netherlands: THE AMERICAN CAN CO, New York and German and French associates form TURBOPLAST NEDERLAND, Amsterdam to sell tubes and plastic materials.

N	TOBACCO	Netherlands: BAT, London gains control of the Amsterdam cigar manufacturer HENRI WINTERMANS.
O	VARIOUS	Germany: The Bristol group G.B. BRITTON forms German sales company for its "Tuf" moulded footwear.

AUTOMOBILES

** The joint subsidiary of VOLKSWAGENWERK AG, Wolfsburg (see No 363) and DAIMLER-BENZ AG, Stuttgart-Untertürckheim, whose formation was announced during May (see No 365) has now been legally formed as DEUTSCHE AUTOMOBIL GmbH, Hanover (capital DM 5 million). The new concern will act as a link for the cooperation decided upon by the two founders (who manufactured 1,595,000 and 240,000 vehicles respectively in 1965) in the research and technical spheres.

CHEMICALS

** FARBWERKE HOECHST INVESTMENT AG, a holding company formed in Zurich in 1962 by the Frankfurt chemicals group FARBWERKE HOECHST AG (see No 370), to handle its foreign business has had its capital (unchanged since formation) raised to Sf 10 million in exchange for loans to the parent company.

The following are seven of Hoechst's most important recent moves abroad:

1) The purchase of a 13% interest (equal to that of the SIEMENS AG group, with which it is linked in various chemical carbon and electrode concerns - see No 344) in the new South African company BELKTRODE MAATSKAPPY VAN SUID-AFRIKA (EIENDOMS) BEPERK. The latter was formed with Rands 2.4 million capital to produce 5,400 tons of graphite electrodes a year at Kookfontein: a controlling interest of 74% is held by AFRICAN METALS CORP LTD, Johannesburg.

2) The formation of HOECHST VLISSINGEN NV (see No 368) to run a new electrothermic phosphorous complex in the Netherlands.

3) The increase to Bf 24 million of the capital of HOECHST BELGIUM SA.

4) The strengthening of links with CIBA AG, Basle, in research into the metabolism of lipoids and its therapeutic applications to circulatory ailments.

5) The purchase of a 50% interest in POLYMEERFABRIEKEN BREDA NV, Breda (formerly FOSTER GRANT CHEMIE NV - see No 358).

6) The purchase of a 33.3% interest in a new Indian hostalen factory at Thana-Belapur, POLYOLEFIN INDUSTRIES LTD (authorised capital 50 million rupees - see No 350).

7) The formation of HYSTRON FIBERS INC (see No 358) to make "Trevira" fibres at Spartenburg, South Carolina in association with HERCULES INC, Wilmington, Delaware.

** CHEM-PLASTIC SpA, Milan, has just signed an agreement to become the non-exclusive Italian agent of the Swiss firm ACIMA AG FUER CHEMISCHE INDUSTRIE Buchs, St Galen. The Italian firm recently made a similar agreement with NV BILLITON CHEMIE, The Hague, the sales subsidiary of the Dutch group NV BILLITON MIJ (see No 369).

** The American paints and varnish manufacturer CONSOLIDATED PAINT & VARNISH CORP, Cleveland, Ohio will market its products in Germany, Austria and Eastern Europe through a newly formed Austrian company called WEKA HANDELS GmbH, Salzburg (capital Sch 100,000). Mr Rainer Westermayer will manage the new firm.

** The American pharmaceuticals group A.H. ROBINS CO INC, Richmond, Virginia is extending its interests to the German market and has formed a sales subsidiary in Frankfurt. It already controls A.H. ROBINS CO LTD, Horsham, Sussex, Britain and recently gained control of LABORATOIRES MARTINET SA, Paris, whose factories at Saint-Mande, Val-de-Marne, and Dreux, Eure-et-Loir are still being built.

The American company, whose subsidiary MORTON MANUFACTURING CO, Lynchburg, Virginia makes cosmetics, had 1965 sales of $65 million. It has wholly-owned subsidiaries in Canada, Columbia, Australia, Mexico and Panama.

** The Belgian company A. SMEETS, Antwerp (chemicals, pharmaceuticals and dietary products for animal feeds) has made an agreement with ROHM & HAAS CO, Philadephia, Pennsylvania (see No 287) to import, sell and manufacture its special poultry and livestock medicines and foods in Belgium and the Common Market. A 40-60 joint subsidiary, under the direction of M. Arthur Smeets has accordingly been formed at Antwerp with the name WHITMOYER PRODUCTS NV (capital Bf 1 million: this will immediately be raised to Bf 1.4 million, by the addition of Mr Smeets' representation contract with WHITMOYER INTERNATIONAL LTD, Lebasson, Pennsylvania).

The American group, which has a 28.6% interest in the new company, has no financial links with ROEHM & HAAS GmbH, Darmstadt, which also makes chemical, pharmaceutical and veterinary products and plastics (see No 286). In June 1964 it gained control of the chemicals and pharmaceuticals concern WHITMOYER LABORATORIES INC, Myerstown, Pennsylvania. In 1960, the latter gained an interest in Britain by acquiring a controlling share in F.R. REED LTD, which became its subsidiary under the name WHITMOYER-REED LTD, Barking, Essex (director M. R.F Byrnes).

COSMETICS

** FRITSCHE BROTHERS INC, New York is forming a West German marketing subsidiary under the name FRITSCHE BROTHERS (DEUTSCHLAND) GmbH, Werste. The new firm has DM 400,000 capital, and is to be managed by Mr Frederick Klinger of New York.

Fritsche Brothers is in the wholesale trade in aromatic products, essential oils, perfumes etc, and is the USA representative for the Paris company LES FILS & PETITS FILS DE MAURICE DUCLOS.

ELECTRICAL ENGINEERING

** SA DES ETS ED JAEGER, Levallois-Perret, Hauts-de-Seine, holds 46.6% of the capital of a new sales company that has been formed at its head office, STE D'EQUIPEMENTS ELECTRO-MENAGERS Sarl (capital Ff 300,000). Jaeger is associated with three other companies in the new concern: SIBEL-STE INDUSTRIELLE DE BELLEVAUX SA, Viuz-en-Sallaz, Haute Savoie (33.3%); STE DE PROMOTION DU GROUPE CARPANO & PONS SA, Cluses, Haute Savoie (16.6% - see No 363) and S.T.E.B. - STE TECHNIQUE & D'EXPLOITATION DE BREVETS Sarl, Paris (3.3%).

** The German metallurgical group BUDERUS'SCHE EISENWERKE, Wetzlar (see No 329) of the FLICK group is negotiating the takeover of GEBR. ROEDER AG, Darmstadt (capital DM 3,005,000) which makes electric cookers, heating installations and automatic washing machines. Roeder (1964 turnover: DM 18 million) has cut its payroll by almost half since 1963 (currently 450 workers). Since 1964 its main shareholder (see No 278) has been the printing-machine maker MASCHINENFABRIK GOEBEL GmbH, Darmstadt, controlled by the holding company GOEDA VERMOEGENSVERWALTUNG GmbH, Bad Wiessee.

The Wetzlar group has a wholly-owned subsidiary BURGER EISENWERKE AG, Burg, Dilkreis (capital DM 6.3 million) which, like Gebr Röder, makes washing machines, heating apparatus and cookers (turnover DM 527 million in 1965). As the result of a research and development agreement for central heating, heating and domestic cooking apparatus, baths, sanitary equipment, signed a few months ago with STE GENERALE DE FONDERIE SA, Paris (see No 343) the two companies have formed a joint research company called SEFA, Wetzlar (managers MM Schonfeld and Mireux)

** GULTER HAMMER INC, Milwaukee, Wisconsin (electrical control equipment - see No 365) has acquired a 50% interest in the Dutch concern M I. EUROPA NV, Helmond (see No 258) and the board now includes three representatives of the American group, Messrs. E B. Fitzgerald, P.C. Foote and G.M. Pulver.

The Dutch concern is now called CUTLER HAMMER IGRANIC NV (capital Ff 10,000) and was formed two years ago as a sales company by METAL INDUSTRIES LTD, Glasgow (see No 365), whose subsidiary BROOKHIRST IGRANIC LTD, Bedford, is a licensee of the American group and is associated with it is the South African CUTLER HAMMER IGRANIC, Johannesburg. The new concern has a Milan subsidiary run by Sig. P. Bertoli, and another in West Germany M.I EUROPA ELEKTROANLAGEN-VERTRIEBS GmbH, Neuss headed by M. E. Kroeze of Beek, Nijmegen.

ELECTRONICS

** The calculator and data processing firm CAE-CIE EUROPEENNE D'AUTOMATISME ELECTRONIQUE SA, Paris which is controlled by CITEC-CIE POUR L'INFORMATIQUE & LES TECHNIQUES DE CONTROLE SA, Paris (an equally-owned subsidiary of the CGE and CSF groups) has made its Frankfurt sales office into a full subsidiary. This firm will be known as CAE-DATENVERARBEITUNGS-SYSTEME FUER WISSENSCHAFT & WIRTSCHAFT GmbH (capital DM 1 million, manager Herr Alfred Braun of Munich).

The French company recently opened a Geneva branch to take over the activities of CECIS-CIE EUROPEENNE DE CALCULATEURS INDUSTRIELS & SCIENTIFIQUES Sarl, Paris (see No 362) which has been operating there since 1964. It also has a subsidiary in Milan: CSI-CALCOLATORI SCIENTIFICI & INDUSTRIALI SpA (see No 259) which was formed in association with CEA PEREGO-COSTROZIONI ELETTRONICHE AUTOMATISMI & TELECOMUNICAZIONI SpA, Milan(MONTECATINI-EDISON SpA group) and has sales branches in Belgium, the Netherlands and Spain.

** The American GTI CORP, Meadville, Pennsylvania (equipment and accessories for the electrical and electronics industries, especially semiconductor housings) is going into the Common Market by forming a manufacturing subsidiary in West Germany, GTI GmbH, Miersbach, Frankfurt. The new firm has DM 1 million capital, and is to be managed by Messrs. Robert Alvarey of Miami and George Schmitt of Warren, Pennsylvania.

GTI (its turnover rose from $ 9 million to $ 15 million between 1964 and 1965) has factories at Meadville and Providence, Rhode Island. In the USA it controls ADVAC PRODUCTS INC, Stamford, Connecticut; CLOVER INDUSTRIES INC, Tonawanda, New York; CRESCENT ELECTRONIC SALES CO, Orlando, Florida, and DYTRONICS INC, Leesburg, Indiana.

** As a result of lengthy negotiations between the THOMAS ORGAN CO, Los Angeles (see No 328) a Division of the WARWICK ELECTRONICS INC group Chicago (itself a 64.5% subsidiary of SEARS, ROEBUCK & CO, Chicago - see No 347) and the British group VOX, London and EKO STRUMENTI MUSICALI, Rome a joint subsidiary is going to be formed in Italy to run a factory making electrical organs and other musical instruments. It will employ some 1,000 persons at Montecassiano, Macerata, with the Rome company taking a 48% interest, the American company a 30% interest and the London group a 22% interest.

** The British second-hand computer company COMPUTER RESALE BROKERS LTD, Reading, Berks has formed a Paris branch on the premises of METRA INTERNATIONAL (part of the international S.E.M.A. Sarl group, Paris) and M. Michel Drillet will be responsible for the French market.

The Reading concern was formed eighteen months ago and has some 70 computers of all makes on its books. Last June it took part in the international computer exhibition in Prague. It is forming a Frankfurt branch and has set up an American subsidiary.

ENGINEERING & METAL

** The merger decided upon in the Dutch cycle and motor-cycle industry involving the Amsterdam group KAPTEIN'S HANDELSONDERNEMING NV (see No 371) is going to be followed shortly by a similar move between two assiciated companies, VERKOOPMIJ. SIMPLEX-LOCOMOTIEF NV, Amsterdam and JUNCKER TIJWIELFABRIEK, Apeldoorn. This will result in a new group called VERENIGDE NEDERLANDSE RIJWIELBEDRIJVEN NV employing some 250 persons.

** ALUMINIUM CO OF AMERICA-ALCOA, Pittsburgh has formed a Dutch subsidiary ALCOA (NEDERLAND) NV which will be responsible for the construction of its aluminium oxides factory ("Tabular") for insulating and lining materials in the Europort zone of Rotterdam (see No 364). This factory will start operations in 18 months. It will be the American group's first production unit within the Six, where it already has a financial subsidiary ALCOA EUROPA SA, Luxembourg (see No 339); the majority of the output is destined for the Common Market countries, Britain and Scandinavia.

** The Belgian metal group COCKERILL-OUGREE SA, Seraing (see No 363) whose company FERBLATIL produced 96,000 tons of tin plate in 1965 has increased the extent of its numerous French interests (see No 339) by taking a 30% interest in the metal packaging concern RHONE-BRETAGNE SA, Pont-Aven, Finistere.

The latter was formed (capital Ff 20,680,000) by the merger in July of three sister-companies, all based at Pont-Aven: ETS LOMENECH-CONSERVES SA, (capital Ff 6 million), ETS LOMENECH-RHONE-BRETAGNE-BOITES METALLIQUES SA (capital Ff 6 million) and S.F.E.M.-RHONE-BRETAGNE SA (capital Ff 17.5 million). The president is M. Daniel Lomenech and it has two factories at Pont-Aven (300 workers) and Lyons (250 workers). Its turnover is around Ff 100 million which is split 60-40 between its "Metal Box" division (for the canning, paint industries and household products) and its "Canning" division (vegetables and fish).

** The almost wholly-owned subsidiary of R.N.U.R.-REGIE NATIONALE DES USINES RENAULT SA, Billancourt (see No 369), the S.N.R.-STE NOUVELLE DES ROULEMENTS SA, Annecy, Haute Savoie (see No 362) is about to make its first industrial investment in Mexico as the result of an agreement signed with CIDSA-CIE INTERCONTINENTALE DE SAROLLO. A new rolling-stock factory (the first in Mexico) will be built by a subsidiary of the French group, STE D'ETUDES & DE REALISATIONS INDUSTRIELLES RENAULT-ENGINEERING SA, Rueil-Malmaison, Hauts-de-Seine (capital Ff 6 million).

S.N.R. recently signed an agreement with STE GENERALE ISOTHERMOS SA, Paris under which both firms will cooperate in the railway rolling-stock sphere. It has also acquired a manufacturing subsidiary in Turin: S.N.R. ITALIA SpA where it is linked with the Italian precision machine tool group GIUSTINA SpA of Turin and Milan.

** KONUS-KESSEL GESELLSCHAFT FUER WARNETECHNIK mbH, Hockenheim, formed last May with the aid of Swiss capital, is backing a new Paris company selling circulating boilers: SOFRACKO-STE FRANCAISE DES CHAUDIERES KONUS Sarl (capital Ff 25,000). It controls 50.4% of the capital. The remainder is shared by Herr Wolfgang Sander of Heidelberg (25.6%) and MM Rene Maegel (12%), Rene Lombard and Emmanuel Motte (6% each).

The German company (capital DM 20,000) is run by Mr Niklaus Rychen of Neerach, Zurich, a director of the Zurich agency CETRAG AG (capital Sf 100,000).

** SCOVILL MANUFACTURING CO, Waterbury, Connecticut, is forming a metal products manufacturing and sales company in Düsseldorf by the name of SCOVILL METALLWAREN GmbH (capital DM 500,000; manager Herr Peer Staal).

The American group (1965 turnover $268 million) formed a sales subsidiary two years ago in Wuppertal for snap-fasteners, called STOCKO-SCOVILL VERSCHLUSS GmbH (see No 253); it is associated in the same with the local company STOCKO-METALLWARENFABRIK. Scovill's other Common Market interests are mainly in France, where it has 60% control of VALVES & PRODUITS INDUSTRIELS SA, Pontarlier, Doubs (in association with the Swiss group EDOUARD DUBIED & CIE SA, Couvet, Neuchatel) and SCOVILL-FRANCE Sarl, Lourdes, Hautes Pyrenees. In August 1964 the latter itself gained control of the local family business ETS JOSEPH LAURENT, which makes "Elaul" domestic appliances.

** INVESTICO NV, Antwerp (see No 368), an investment company in the Antwerp and Brussels group KREDIETBANK NV, has bought an 11.65% shareholding in the Luxembourg holding company PHILLIPS-RYAN INTERNATIONAL SA (see No 367). This was formed at the beginning of this year (see No 348) by Messrs. Donald W. Phillips (a Canadian resident in Monte Carlo) and Donald Hillsdon Ryan (an American living at Coligny, Geneva), in order that they might regroup their respective interests in various companies. Most of these are in Europe, and are mainly concerned with the installation of plant and equipment for shoe repairs, cleaning, dyeing, watchmaking, photocopying, mending, binding and plastic lamination of documents etc.

Phillips-Ryan International has recently acquired a number of assets, and its capital has been raised to Lux f 150 million. In addition to its original shareholders and Investco, it has now become an interest of about 30 firms, most of them American, Belgian or Swiss. The companies it now controls directly are WEBB SERVICE GmbH, Frankfurt, Main (formed at Düsseldorf in 1959), KVIK HAELE-BAR SERVICE A/S, Copenhagen; KVIK HAEL-BAR SERVICE A/S, Oslo; INTERNATIONAL CONSUMER SERVICES A/S, Huddinge, Sweden; PHILLIPS-RYAN LTD, London; IMPULSE MERCHANDISING (PTY) LTD, Johannesburg and MERCHANDISING SERVICES PTY LTD, Sydney. Several European companies were already headed by it, and in particular I.M.S. -INDUSTRIAL & MERCHANDISING SERVICES SA, Brussels; SERVIZI ASSOCIATI SpA, Milan; STAVA AG, Zurich; MERCHANDISING INTERNATIONAL SA, Geneva; MISTER MINIT SERVICES SA, Brussels; SERVICE ASSOCIATES LUXEMBOURG Sarl, Luxembourg; SERVICEBEDRIJF VOOR INDUSTRIE & HANDEL NV - SERVIHA, Amsterdam etc.

** The Tournai firm ATELIERS ELECTROTECHNIQUES SA (president M. M. Masuy) has formed VANCASPEL SA at Tournai as a 50-50 joint subsidiary with the Franco-Belgian group STE NORDON-FRUHINSHOLZ-DIEBOLD N.F.D., Nancy. The new company is directed by M. Michel Marois, has Bf 2 million capital and is to make, maintain and develop brewing plant and mechanical and pneumatic handling equipment for grain, chemicals, foodstuffs and coal.

N.F.D. (capital Ff 9,870,000; 1965 turnover Ff 81,750,000) is one of the world's leading high-pressure tube concerns, and it also produces handling, malting and brewing equipment, pumps and scaling machines in its factories at Nancy, Epinay and Villeurbanne. It has subsidiaries or affiliates in Morocco, Brazil (Sao Paulo), Spain (INOXA SA, in association with ETS BIGNIER, SCHMID-LAURENT SA - see No 259) etc. It recently made a co-operation agreement, covering all their activities (which are mostly parallel) with STE FRANCAISE BABCOCK & WILCOX SA, Paris (linked with BABCOCK & WILCOX LTD, London - see No 365), which has Ff 41,470,000 capital and achieved a 1965 turnover of Ff 218.8 million.

** W.E.S.P.A. - WALWORTH EUROPA SpA, Patti, Messina, an American and Italian concern making valves for the chemical and petrochemicals industries, has just marked its expansion by setting up a sales branch and warehouse in Ospiate di Bollate, Milan.

WESPA, whose president is Mr Louis A. Mihaly, was formed in May 1961 with Lire 1 million capital - a figure which has since been raised to Lire 800 million. Control of it is now shared between four companies: GENERAL WATERWORKS CORP, Philadelphia (37.6%: this company also controls BARBIERI FRICK SpA, Castel Maggiore, Bologna - see No 283); OFFICINE MECCANICHE & FONDERIE NAPOLETANE SpA, Naples (33.4%: a member of the Rome FINMECCANICA SpA group - see No 343); WALWORTH CO, New York (24.4% - see No 344), and GROVE FRANCE SA, Ivry-sur-Seine (5.6%: this firm is controlled by Walworth and its subsidiary GROVE VALVE & REGULATOR CO, Oakland, California - see No 259: in April 1963 these two gained control of B. BIONDI & CO SpA. Milan.

** The Dutch heavy metalwork firm SWARTTOUW'S CONSTRUCTIEWERK-PLAATSEN & MACHINEFABRIEK NV, Schiedam (tanks, bridges, canilevers etc.) has formed a subsidiary 50-50 with FLEXIFLOAT INTERNATIONAL INC, Houston, Texas. The new firm, FLEXIFLOAT-SWARTTOUW NV (capital Fl 100,000) is also at Schiedam: it is to be directed by Mr Carlo C.L. Englebert, and will be making floating bridges according to Flexifloat's patents.

** HOHNER FRANCE SA, Paris (capital Ff 3.9 million), which sells musical instruments, such as accordions and harmonicas, made by the German family concern MATTH. HOHNER AG, Trossingen (controlled by the holding company HOHNINKA AG, Zug, formed in 1963), represented by M. Jacques Coulon, has backed a new company in Milan. This is called MUSITALIA DI A. GIUSTINI & G. GALIMBERTI & CO Sas, and is to sell musical equipment. Hohner France holds 50% of the Lire 5 million partnership capital.

** The Kiel concern, KIELER HOWALDTSWERKE AG, is going to take over DEUTSCHE INDUSTRIE-WERKE AG, Berlin. Both companies are wholly-owned subsidiaries of the state-owned commercial and engineering group SALZGITTER AG, Salzgitter and Berlin, which manufactures foundry materials, tools, rail and river transport equipment. Kieler Howaldtswerke is also in the course of merging with two other shipyards in Hamburg, DEUTSCHE WERFT AG and HOWALDTSWERKE AG (see No 358).

** CLARK EQUIPMENT CO, Buchnam, Michigan (see No 347) has taken an 80% interest in SCHUMANN GmbH, Kirchheimbolanden. The latter will double its production of lorry trailers with the support of the American company, which already has a number of licencees in Puerto Rico, Spain, South Africa and Sweden.

The American group is well established in Germany and last November it established its distribution and leasing business within a new company, CLARK VERTRIEBS GmbH (capital DM 4 million - see No 336).

** The Belgo-Italian concern SARDESPA MANIFATTURA DI VENAFIORITA SpA, Cagliari (carding and combing equipment for cotton and wool) has just opened a Milan office. With a factory at Olbia, Sardinia, Sardespa was formed in May 1963 (capital Lire 550 million) with M. Jean de Spa, Eupen, Belgium as president. He is also associate manager of the Belgium carding equipment concern DE SPA & FILS Sca, Verviers, an affiliate of the holding company VITRIOL SA, Vacallo, Switzerland.

** MASCHINENFABRIK STROMAG GmbH, Unna (manufactures gears, transmission systems, electrical materials and equipment - especially lifting materials) has formed a Belgian sales company. STROMAG Sprl, Ganshoren. The Bf 450,000 capital is shared by the owners of the German concern, Herren Herbert Götz, Horst Polchau, Gerhard Kummer (31.6% each) and Dieter Böhm (5.2%).

STROMAG (capital DM 2.7 million) employs some 1,000 persons. It has a subsidiary at Frondenberg, Ruhr, FROEMAG-FROENDENBERGER MASCHINEN- & APPARATE-BAU GmbH (200 employees) and it has a branch in Saarbrucken with sales offices in most of the principal towns. Its foreign interests include STROMAG SA, Sarreguemines, France, IPEG GmbH, Wiener Neustadt, and STROMAG-KUPPLUNGSBAU- & HANDELS-GmbH, Vienna, both in Austria and STROMAG-FRICCOES & ACOPLAMENTOS SA, Sao Paulo.

** The American POLYMER CORP, Reading, Pennsylvania (plastic products, nylon and teflon moulding) has gained control of the Dutch knitting-machine manufacturer TEXTIEL MACHINES READING NV, Alemo headed by M. J.P.C. van Leeuwen. The latter company has various foreign representatives including CIE FRANCAISE DES MACHINES READING Sarl, Paris (headed by M. F. Gropengiesse - capital Ff 350,000), TEXTILE MACHINE WORKS LTD, Leicester, Britain and THE READING (PTY) LTD, Brunswick, Victoria. The American group has no financial links with the POLYMER CORP LTD, Sarnia, Ontario (see No 365).

Its exclusive British distributor is POLYMER (UNITED KINGDOM) LTD, London (part of the London group JAYAR WALBROOK HOLDING LTD) and a manufacturing subsidiary POLYPENCO LTD, Welwyn Garden City, Herts. Its other interests within the Common Market include two sales subsidiaries, POLYPENCO GmbH, Cologne and POLYPENCO (FRANCE), Boulogne-Billancourt.

FINANCE

** DEUTSCH SUEDAMERIKANISCHE BANK AG, Hamburg (capital raised last March from DM 10 to DM 17 5 million), a 90% subsidiary of the Frankfurt DRESDNER BANK AG (see No 370), has taken an interest in forming a long- and medium-term credit company in Sao Paulo, BANCO BRASILEIRO DE DESENVOLVIMENTO SA - FINASA.

The new concern has Cr 7,500 million capital (about \$3 4 million), which is shared 65-35 between local and foreign interests. The local share is held by 22 Brazilian banking houses, while Deutsch Südamerikanische shares the remaining 35% with STE DE BANQUE SUISSE - SCHWEIZERISCHE BANKVEREIN AG, Basle (see No 326); BARING BROTHERS & CO LTD, London; STOCKHOLMS ENSKILDA BANK A/B, Stockholm; MORGAN GUARANTY TRUST CO, New York, (see below) and CANADIAN IMPERIAL BANK OF COMMERCE, Toronto.

** The sixth most important American merchant bank, MORGAN GUARANTY TRUST CO, New York, (deposits end of 1965 \$565,000 million - see No 365) is negotiating for the control of the Milan commercial bank, BANCA VONWILLER SpA (capital Lire 1,000 million). In France it is negotiating a 10% reduction of its shareholding in MORGAN & CIE SA, Paris (capital Ff 10 million).

This second move will increase by 15% to 75% the direct shareholding of its associate and affiliate (30%), MORGAN GRENFELL & CO LTD, London (see No 366). The share of the Dutch affiliate bank, MEES & HOPE, will remain 15% (see No 346).

** FINANZIARIA OLTREPO (FINPO) SpA, Milan and Genoa (president Sig Renato Fossati) - formerly L'ASSICURATRICE DEL OLTREPO has decided to take over its subsidiary CIA LOMBARDA DI ASSICURAZIONE SpA, Milan and Volghera (capital reduced in advance to Lire 750 million).

FOOD & DRINK

** The largest Belgian chocolate company (with about 1,000 on its payroll), COTE D'OR SA, Anderlecht, Brussels (formerly ALIMENTA Sprl) is entering the German market. In order to back its wholesaling operations there it is forming a branch in BREMEN, and plans to set up a manufacturing concern in the country later on.

** The French sugar group STE F. BEGHIN SA, Thumeries, Nord (see No 328) which in 1964 took over SUCRERIE DISTILLERIE DE LIEUSAINT SA, Paris (capital Ff 5,400,000) is carrying out a further regrouping of its sugar-processing subsidiaries. In two stages it is going to increase its capital to Ff 203.62 million and take over: 1) SUCRERIES RAFFINERIE & DISTILLERIE DELLOYE SA, of Sillery, Marne (which itself took over SUCRERIE DISTILLERIE DE LONGUEIL -SAINTE MARIE SA, Paris - see No 299); 2) UNION SUCRIERE & AGRICOLE DU CAMBRESIS SA Caudry, Nord. These two concerns produce respectively 85, 000 and 20,000 tons of sugar annually.

After this merger, Beghin will have but one French subsidiary in the sugar industry SUCRERIE DE BEAUCHAMPS SA, Beauchamps, Somme (capital Ff 12 million) a 75% interest which produces around 43,000 tons of sugar and alcohol from sugar-beet annually.

** SAPIEM-STE DE PARTICIPATION DANS L'INDUSTRIE ALIMENTAIRE SA, Paris (capital Ff 36,120,000) is going to take over ETS A. BARTHELEMY SA, Paris (capital Ff 7.93 millions) butter, egg and cheese wholesalers.

The former had already merged at the end of 1964 with COMPTOIR DES VIANDES & PRODUITS ALIMENTAIRES SA, Paris (capital Ff 4.25 million - see No 286) and STE FRANCAISE DU LAIT STERELISE SA, Paris (capital Ff 10 million) which had previously been under the control of UNION FINANCIERE DE PARIS Scs (see No 364).

** BERNARD MATTHEWS LTD, Great Witchingham, Norfolk, (turkey and poultry rearing and animal foods) is extending its interests in Northern Italy by setting up a branch at Dolzano-Cogoredo, Como, for its Milan subsidiary SUPERTACCHINI MATTHEWS ITALIANA SpA (see No 334). The new concern is under the direction of Mr Thomas A. Cooper.

GLASS

CORNING GLASS WORK CO, Corning, New York (see No 363) is forming a subsidiary in Milan, CORNING ITALIANA SpA whose Lire 30 million capital has been almost wholly subscribed by CORNING GLASS INTERNATIONAL SA, Panama. The new company (president Mr Leroy Wilson) will make and sell glass, by-products, ceramics, insulating and packing materials.

The American group has a Dutch manufacturing subsidiary, CORNING NEDERLANDSE FABRIEKEN NV, Groningen (which controls CORNING PYROFLAM NV - see No 361) which makes mainly glass ceramic ovenware sold throughout the Common Market under the brand-name of "Pyroflam" (until a short time ago this product was marketed in Europe by SOVIREL SA, Paris). The American group has 75% control of the Groningen firm. The remainder of the capital is shared equally between the French partner SOVIREL SA and the German firm JENAER GLASWERK SCHOTT & GEN, Mainz (see No 329) both of which are joint share-holders in PYROFLAM VERTRIEBS GmbH, Brulh, Cologne (see No 269).

INSURANCE

** The Italian all-risks insurance group FIUMETER SpA DI ASSICURAZIONI & RIASSICURAZIONI, Rome (capital Lire 105,000 million out of authorised capital Lire 130,000 million) whose president is Dr Francesco Chieffi, has signed an agreement with J. HAENECOUR & CO NV, Uccle-Brussels and Antwerp (see No 334). The Italian group will now be represented by the latter in Belgium (and in particular its "Transport" department).

J. Haenecour & Co is already the Belgian agent for several foreign insurance companies including FEDERAL INSURANCE CO OF NEW JERSEY, New York and THE INDEMNITY MARINE ASSURANCE CO LTD, London.

OIL, GAS & PETROCHEMICALS

** Eight German oil-prospecting and extracting firms have decided to merge their overseas programmes, and have formed a joint subsidiary for the purpose. The firms include: C. DEILMANN BERGBAU GmbH, Bentheim (see No 267); DEUTSCHE SCHACHTBAU & TIEFBOHR GmbH, Lingen (see No 334); GBAG - GELSENKIRCHENER BERGWERKS AG, Essen (see No 370); SCHOLVEN-CHEMIE AG, Gelsenkirchen-Buer (see No 367); PREUSSAG AG, Hanover (see No 369); UNION RHEINISCHE BRAUNKOHLEN DRAFTSTOFF AG, Wesseling, and WINTERSHALL AG, Celle (see No 370).

** The Emden company ERDOELWERKE FRISIA AG (refining, transporting and distributing petroleum products) is expanding in the Hanover area by taking over the storage and distribution concern MINERALOELVERTRIEB NIEDERSACHSEN HELMUT BLUME, Empelde, Hanover.

Frisia, whose chief initial shareholders were MIGROS-GENOSSENSCHAFTSBUND, Zurich, and UNIVERSE TANKSHIP INC, New York, is now a 53% subsidiary of SAARBERGWERKE AG, Saarbrucken. The latter is itself 76% controlled by the West German State, the balance of the capital being held by the Saarland: its 1965 turnover was DM 922 million, and it is at present in course of establishing itself in the oil, gas and petrochemicals industry. As part of this programme, it recently (see No 357) took over PETROSAAR HANDELSGESELLSCHAFT FUER MINERALOELPRODUKTE mbH, Saarbrucken, which runs a chain of some twenty service stations in the Saar.

PLASTICS

** TURBOPLAST NEDERLAND NV, Amsterdam has been formed by the AMERICAN CAN CO, New York (see No 357), VEREINGTE DEUTSCHE METALLWERKE AG, Frankfurt (see No 351) and TURBOPLAST-FRANCE SA, Paris (see No 310). The new concern will sell - and if market conditions are favourable manufacture under licence - American Can Co, "Turboplast" tubes and plastic packaging materials used by the cosmetics, food, and mass-consumer goods industries. The New York concern's Swiss subsidiary TURBOPLAST SA, Geneva (president Mr Wade Hampton, New York) has responsibility in Europe for its licences.

The German concern also uses American Can Co's licences, and it is a 57.2% subsidiary of METALLGESELLSCHAFT AG, Frankfurt. Turboplast-France, whose capital is shortly to be increased to Ff 2.7 million, has been affiliated since May 1963 to PRODUITS CHIMIQUES PECHINEY-SAINT GOBAIN SA (a 34.8% interest - see No 363). It is headed by M. E. Lecluyze (see No 288) and has a 53. controlling interest in COTUPLAS SA, Paris (capital Ff 600,000 - see No 254); the latter makes equipment to fill and seal the containers and packaging products made by Turboplast-France and SETICO-STE POUR L'EXPLOITATION DES TECHNIQUES INTERNATIONALES DE CONDITIONNEMENT Sarl, Aubervilliers (capital Ff 150,000). A joint subsidiary of American Can Co and the Spanish group CELAYA was formed at Vitoria in 1964, TURBOPLAST HISPANIA SA.

** MARECHAL ITALIA SpA (president M. Jean-Claude Floquet) has been formed at Savona with Lire 60 million capital, entirely controlled by ETS MARECHAL SA, Paris (see No 312). There is another office in Milan headed by Sig. G. Origoni and the new concern will import and distribute plastic and rubber materials, plasiticised linings and coverings, etc.

The French concern passed under the control of the Belgian group SOLVAY & CIE Scs, Ixelles-Brussels, as the result of an agreement made at the beginning of last year with LA CELLOPHANE, Paris (see No 283). The latter was its previous owner (a member of RHONE-POULENC SA - see No 342) and in 1965 made over its manufacturing departments (at Vennissieux, Croissy-sur-Seine, Wattingies and Thaon-les-Vosges) and sales departments (Paris, Lille, Bordeaux, Lyons, Marseilles, Nancy, Rennes and Toulouse) for backing and lining materials, films, textiles, vinyl and abestos tiles.

TOBACCO

** B.A.T. -BRITISH AMERICAN TOBACCO CO LTD, London (see No 370) has extended its Common Market interests by gaining control - through BRITISH AMERICAN TOBACCO CO (NEDERLAND) NV, Amsterdam (formerly VICTORIA CIGARETTEN VERKOOP MIJ.) - of the luxury cigar maker HENRI WINTERMANS CIGARWORKS, Eersel. The latter, famous for its "Cafe Creme" and "Senoritas" brands, belongs to the Wintermans family and sells its cigars throughout the world: WINZO NV, Antwerp is responsible for representing its Belgian interests and HERBERT MERCHANT LTD, London represents it in Britain. BAT's products are distributed in Belgium by ETS ODON WARLAND SA, Molenbeek-St-Jean.

Herbert Merchant (a member of TRUST HOUSE LTD through JOHN GARDNER-LONDON-LTD) has just been acquired by IMPERIAL TOBACCO CO (OF GREAT BRITAIN & IRELAND) LTD which holds a 28.5% interest in BAT (see No 363) and it will be included in its own CHURCHMANS, LAMBERT & RINGER Division, Ipswich, Suffolk headed by Mr M. Benkel.

VARIOUS

** The Bristol group G.B. BRITTON & SONS (HOLDINGS) LTD is expanding its Common Market interests by forming a German sales company for its moulded rubber footwear ("Tuf" brand). This is called TUF-SCHUH GmbH, Düsseldorf and has a capital of DM 50,000. It will be run by Mr Ronald Lowe, European sales director of the British group.

G.B. Britton already has a wholly-owned subsidiary (through MOULDED FOOTWEAR LTD, Kingswood, Bristol) at Ixelles-Brussels, TUF-BELGIQUE SA and a 33.3% holding in the Dutch firm RAVO SCHOENFABRIEKEN, Havenstein.